

ENERGY EFFICIENCY AND RESOURCE MANGEMENT COUNCIL

Minutes-July 8, 2010

Conference Room C, Second Floor DOA

Call to Order: The meeting was called to order at 3:40 by Chairman Paul Ryan.

Members Present: Paul Ryan, Joe Cirillo, Dan Justynski, Marion Gold, Vic Allienello and Abigail Anthony

Staff Present: Dan Carrigg, Andrew Kostrzewa and Charles Hawkins

Consultants: Scudder Parker and Mike Guerard.

Others Present: Jeremy Newberger, Rachel Henschel and Karl Munzel

Acceptance of Minutes: A motion was made by Paul Ryan to accept the June minutes. It was seconded by Joe C. and passed unanimously.

Executive Director's Report

Matt Guglielmetti, the OER's Program Manger for Low Income Programs retired after 33 years of service to the State. Matt will be missed by both the OER & the EERMC. On another note, Cynthia

Breen, who has substantial private sector experience, began work this week as an auditor and program monitor. She joins Terri Brooks, Lewis Babbitt and Manuel DelSanto to form a much stronger OER auditing team.

On July 7, 2010, the Administrator of the OER, Ken P., filed his certification of the power purchase agreement between LFG Genco, LLC and National Grid for a newly developed renewable energy resource fueled by landfill methane gas from the central landfill. OER reviewed the agreement by addressing six questions, which were all answered in the affirmative. Dan Carrigg was then introduced to give an ARRA update.

ARRA Update

- Notice of awards has been sent to projects approved for the Non-Utility Scale Renewable Energy Projects. (4.5 million)**
- Agreement has been reached between National Grid and OER for the Deliverable Fuels Weatherization Program with an August 1st launch. (2.3 million)**
- EECBG Competitive Grants had gone through the technical review process and are awaiting administrative sign-off. (3.0 million)**

Abigail A. asked about contacts for the residential ARRA EE Program.

The audits will be done by RISE and Rachel H. said that consumers should contact the Energy Wise Program. The EECBG Competitive

Grants were spread out geographically with 29 applications received and 15 funded with 13 receiving the full funding requested. There were a few that were innovative such as a bike strip leading to the Blackstone Bikeway and a project in Newport that will fund a seaweed harvester to convert alga into bio-diesel.

At this point Jeremy N. expressed concern about three funding sources that are critical to NGrid achieving its 2010 EE Program Plan goals. They are

- The 60% RGGI funds from auctions 6-8
- The 40% RGGI funds from auctions 1-8
- The Emergency ARRA High EE HVAC funds

He said that NGrid operations people were expecting the funding in April and they may need to adjust targets. Paul R. thought the council was going to send it to the

Governor. A motion was made by Abigail A. to send a letter to the Governor concerning the three above mentioned funding sources, requesting that the State release this funding to NGrid to facilitate the 2010 EE Program Plan. It was seconded by Paul R. and passed unanimously. Abigail A. will draft the letter for council approval.

OLD BUSINESS

Low Income Weatherization Update

Andrew Kostrzewa of the OER was introduced to give this update.

Since 2008, the RIWAP has increased the number of homes weatherized per month from 93 to 166. The maximum amount that can be spent per household has also increased to \$6500, allowing the CAPs to do deeper EE improvements that result in greater savings. Of the WAP ARRA funds; \$12,234,000 has been allocated to the CAPS and \$6 million to RI Housing for multiple family units. Abigail A. asked if Andrew K. could provide a monthly report on both the LIHEAP and WAP programs. She also inquired about the possibility of obtaining utility shutoff data. She would also like to keep a record of what type of new EE improvements are being implemented.

Andrew mentioned the BPI certifications and NEEP software as ways the OER is improving the WAP. Scudder P. asked if comprehensive electrical and thermal EE work were part of the WAP. Andrew mentioned the Boiler Replacement Program and the Appliance Management Program. Scudder then asked Jeremy if NGrid counted savings from the Appliance Management Program. Jeremy answered in the affirmative.

Marion G. asked how the RI WAP was measuring up against other states. At the present, RI is moving faster than Massachusetts.

VEIC Monthly Report

Abigail A. requested that VEIC do a monthly report at every Council meeting. VEIC is monitoring KEMA's work on the Opportunity Report and is committed to having the report completed by the end of July.

They are also participating in the EE Collaborative Sub-Committee and the SR Planning Collaborative. Paul R. asked who would replace John Farley on the collaborative. Jeremy N. said that NGrid will try to keep John in the collaborative loop until TEC RI finds a replacement.

A discussion then ensued about the effect the market has on 10 year EE plans. It is difficult to do trend analysis when you don't know how new technologies will effect the market. When EE technologies reach market acceptability then the utility does not get credit for the savings. LED lighting was used as an example. Jeremy N. said NGrid was looking forward to the Phase II Opportunity Report to look at what questions remain unanswered. It will help the company get to achievable potential.

Scudder said that the VEIC's next activity will be working on the 2011 EE Program Plan. That process starts with the 7/13 Collaborative Sub-Committee meeting. Abigail A. said program design was critical and wants to help VEIC establish the top five priorities needed to achieve higher savings goals. She would like this list developed for the August Council meeting.

Scudder then said that VEIC was planning another presentation on the PACE residential financing model. Paul R. asked if there was a bill pending in the Assembly on PACE. If such legislation exists the council should discuss it at the August meeting. He would like to know what the RI Senate is thinking on this issue before the Council

debates it. Joe C. echoed this sentiment. Scudder brought up the recent letter from Fannie Mae and Freddy Mac to the Obama Administration which has put the PACE program in jeopardy, especially in California.

System Reliability

Abigail A. said that the sub-committee was working to develop planning guidelines to look at customer side resources that could relieve the grid during peak load periods. This could avoid adding new transmission infrastructure. They hope to have a draft of the guidelines ready to present to NGrid by September 1st.

The goal is to develop an analytical tool that can compare the costs and benefits of the traditional approach of adding infrastructure to customer side solutions like distributed generation. A year ago EERMC drafted a letter to the PUC to let them know that the Council was actively involved in SR. It was approved by the Council but we are still waiting for internal review by NGrid. Scudder P. said that SR was part of the 2006 LCP mandate. Abigail A. does not want to miss out on this opportunity for the Council to speak out on SR. There is a need for expediency. Marion G. asked about the pilot project for Aquidneck Island. Where is it? It is relevant? Jeremy N. said the best data on this pilot plan is in Appendix 9 of the 2010 EE Program Plan.

NEW BUSINESS

Report from the Energy Efficiency Savings Target Sub-Committee

The trend in NE is for states to move from 1-2% load savings to 3-4%. The Massachusetts 3-year Electric and Gas Efficiency Plan for 2010-2012, developed by their EEAC, looks to ramp up EE efforts to achieve 2.4% savings by 2012. Phase I of the Opportunity Report, which is recognized as being conservative, estimated RI can achieve 2.8% average annual load reduction in the residential sector. Abigail A. felt that RI could learn from Massachusetts. She said that Jeremy N. and Rachel H. were very helpful in getting the Sub-Committee feedback and NGrid feels that 2.4% savings were achievable by 2014 on the electric side and 1.2% on the gas side. That would result in the savings of 181,000MWh and 427,000 BTUs. She recommended that the Council accept these savings targets. The next step is to determine how these savings goals can be reached and report back to the Council in August with something they can present to the PUC by September 1st.

Dan J. asked where things stood on the gas side. Jeremy N. said that NGrid Gas were at .3% savings now and with ARRA funding that will go to .4%. They plan on tripling this to 1.2% by 2014.

Joe C. said he supported the goals of the Sub-Committee but cautioned against following Massachusetts lead. He feels that because of MIT & Harvard, Massachusetts always goes the extra step.

He knows this by working with Massachusetts on energy code

issues. He would like to see what other states are doing. Abigail A. agreed and would like to put a RI stamp on the savings targets. Scudder P. said that VEIC checked other NE states in its report and not just Mass.

Jeremy N. said that NGrid supports these savings goals but needs funding to implement them. Paul R. wanted to know what happens to these goals when the ARRA funding runs out. Jeremy N. said that the PUC could modify the goals, they will be concerned about rates and what is achievable. Another piece will be the interaction between savings target and shareholder incentives. Abigail emphasized that when customers spend money on EE their bills go down. You have to look at the lifetime benefits. The four cent LCP mandate is over the lifetime of the EE measures. The council needs to keep talking about this and make sure people know about it. Marion G. said the council has to get this message out. The public has to feel that EE brings down the price of energy.

PUBLIC COMMENT

Jeremy asked if the 9/8 Council meeting could be moved to 9/16 because of Rosh Hashanah. The Council members agreed to make the switch. Paul R. said that he would be tied up in court on that day and probably could not attend but the council still should move the meeting. That means at the August 12th the council will need to vote on a chairman for the September meeting.

ADJOURNMENT

Paul R. made a motion to adjourn the meeting. It was seconded by Joe C. and passed unanimously.

The meeting was adjourned at 5:30.